

## Message Text

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PAGE 01 TUNIS 01900 160645Z  
ACTION NEA-10

INFO OCT-01 EUR-12 EA-10 ISO-00 AID-05 CIAE-00 COME-00  
EB-08 FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00  
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 DODE-00  
PM-05 H-01 L-03 NSC-05 PA-01 SS-15 /108 W  
-----002698 161234Z/13

R 151616Z MAR 78  
FM AMEMBASSY TUNIS  
TO SECSTATE WASHDC 362  
INFO AMEMBASSY ALGIERS  
AMEMBASSY TRIPOLI  
AMEMBASSY VALLETTA  
AMEMBASSY RABAT  
AMEMBASSY TOKYO  
USMISSION USNATO  
COMSIXTHFLT  
CINCUSNAVEUR LONDON  
EUCOM  
USDOCOSOUTH

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CINCUSNAVEUR ALSO FOR POLAD; USDOCOSOUTH FOR INTAF

E.O. 11652: GDS  
TAGS: MASS TS  
SUBJECT: MENZEL BOURGUIBA: JAPANESE INTEREST

1. DURING CONVERSATION MARCH 11 WITH HABIB BOURGUIBA, JR.,  
SPECIAL ADVISER TO HIS FATHER, THE PRESIDENT, HE TOLD ME  
THAT, WEARING HIS OTHER HAT AS PRESIDENT-DIRECTOR GENERAL  
OF THE BANK FOR ECONOMIC DEVELOPMENT, HE IS IN CONTACT  
WITH A GROUP OF JAPANESE INDUSTRIALISTS WHO HAVE SHOWN  
AN INTEREST IN "TAKING OVER AND MODERNIZING" THE DOCKYARDS  
AT MENZEL BOURGUIBA. THE ARRANGEMENT WOULD INVOLVE TURNING  
THE WHOLE YARD OVER TO THE JAPANESE, WHO SEEM READY

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PAGE 02 TUNIS 01900 160645Z

TO MAKE A CONSIDERABLE INVESTMENT THERE TO ENABLE THE  
YARD TO HANDLE A GREAT QUANTITY OF CLIENTS AND TO PERFORM  
REPAIRS NOT POSSIBLE NOW WITH OBSOLETE FRENCH EQUIPMENT.  
SOCOMENA, THE TUNISIAN GOVERNMENT-CONTROLLED OPERATING  
COMPANY, WOULD GIVE UP ITS OWNERSHIP. A CONSIDERABLE INCREASE  
IN LOCAL EMPLOYMENT WOULD RESULT, HE SAID.

2. HE ASKED ME HOW I THOUGHT "WASHINGTON" WOULD REACT TO SUCH A JAPANESE EFFORT. I TOLD HIM MY GUESS WAS THAT WASHINGTON WOULD PROBABLY BE BASICALLY FAVORABLE TO THE VENTURE SINCE IT WOULD UNDOUBTEDLY INTRODUCE TUNIS INTO BIG-TIME SHIP REPAIR FACILITIES AGAIN, HELP MEET GOT'S INVESTMENT OBJECTIVES AND PROBABLY CREATE NEW JOBS. I SAID THAT I COULD NOT HOLD OUT ANY HOPE OF U.S. NAVY BUSINESS IN VIEW OF THE PRESUMED CONTINUED USE OF THE MENZEL BOURGUIBA FACILITIES BY THE SOVIET FLEET. HE GAVE ME NO INTIMATION AS TO WHETHER SHIP REPAIRS WILL CONTINUE TO BE OFFERED TO THE SOVIETS, BUT SAID HE WOULD BE MEETING AGAIN BEFORE THE END OF THE MONTH WITH THE POTENTIAL JAPANESE INVESTORS AND WOULD LET ME KNOW HOW THE TRANSACTION IS PROGRESSING. WHEN I ASKED THE NAME OF THE JAPANESE GROUP HE COULD NOT REMEMBER IT, CHECKED HIS POCKET DIARY AND DID NOT FIND IT.

COMMENT: IT STRIKES ME THAT A CHANGE IN OWNERSHIP OF THE MENZEL BOURGUIBA DOCKYARD COULD INTRODUCE AN ELEMENT OF "FLUIDITY" INTO THE IMPASSE WE HAVE REACHED VIS-A-VIS THE GOT ON THIS SUBJECT. I PLAN TO PURSUE THIS SUBJECT WITH BOURGUIBA, JR. AS OCCASION PERMITS.  
MULCAHY

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, MANAGEMENT, NEGOTIATIONS, SHIPYARDS  
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**Draft Date:** 15 mar 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Disposition Reason:**  
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**Subject:** MENZEL BOURGUIBA: JAPANESE INTEREST  
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